

**MINUTES OF REGULAR MEETING
OPEN SESSION
February 9 and 10, 2010
ILLINOIS GAMING BOARD
CHICAGO, ILLINOIS**

NOTE: ITEMS IN **BOLDFACE PRINT** REFLECT OFFICIAL BOARD ACTIONS

On Tuesday, February 9, 2010 a Regular Meeting of the Illinois Gaming Board ("Board") was held on the 3rd floor at 160 N. LaSalle, Chicago, Illinois.

On Tuesday, February 9, 2010 at approximately 9:30 a.m. the following Board Members were present: Members Charles Gardner, Eugene Winkler, Joseph Moore and James Sullivan. Chairman Jaffe participated via telephone. At 9:35 a.m. on Tuesday, February 9, 2010, Member Gardner called the meeting to order. Pursuant to Section 2(c), paragraphs (1), (11), (14) and (21) of the Open Meetings Act and Section 6(d) of the Riverboat Gambling Act, Member Gardner moved that **the Board retire to Closed Session to discuss the items listed under Closed Session on today's agenda and relating to the following subject matters:**

1. **Personnel matters;**
2. **Pending litigation and matters involving probable litigation;**
3. **Investigations concerning applicants and licensees; and**
4. **Closed session minutes.**

Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call vote. The Board recessed at 12:45 p.m.

On Wednesday, February 10, 2010 the meeting reconvened at 11:45 a.m. Present were the following Board Members: Members Charles Gardner, Eugene Winkler, James Sullivan and Joseph Moore. Chairman Jaffe participated via telephone.

The Board remained in Closed Session until approximately 12:27 p.m. The Board recessed and then went into open session at 1:00 p.m. Members Charles Gardner, Eugene Winkler, James Sullivan and Joseph Moore. Chairman Jaffe participated via telephone.

APPROVAL OF MINUTES

Member Moore moved that **the Board approve the closed session minutes of its Regular Meeting of January 12 and 13, 2010.** Member Winkler seconded the motion. The Board approved the motion unanimously by roll call vote.

Member Moore moved that **the board approve the open session minutes of its Regular Meeting of January 13, 2010.** Member Winkler seconded the motion. The Board approved the motion unanimously by roll call vote.

General Counsel Mike Fries made a clarification regarding the Rules in which a question was posed regarding payouts. The definition of a credit could only be changed statutorily. Wagers must be in increments of \$.05 currently. General Counsel Fries incorrectly stated at last month's meeting that payouts must be in increments of \$.05. However, payouts can be in any denomination. The open session minutes are correct as reflected, but the statement at the last meeting was incorrect and the minutes of this meeting will reflect the correction.

Administrator Ostrowski stated that Paltronics was up for review this month as a new supplier and it was tabled until further review.

General Counsel Fries reported that he attended the JCAR meeting in Springfield on Tuesday, February 9. The topic of "gray machines" arose, General Counsel Fries answered many questions and explained the action that the board took at last month's meeting regarding the "gray machines". General Counsel Fries answered questions pertaining to the testing lab that was chosen and the implementation issues relating to the timing and processing of the applications for video gaming. Mr. Fries also reported that at the end of the meeting a vote was taken and the Certificate of No Objection was filed which he explained meant that we can move forward to the adoption of the Rules.

OWNER LICENSEE ITEMS –

- Item for Initial Consideration –

- Casino Queen, Inc. – Proposed Fifth Amendment to Credit Agreement

Mike Kralovec – Director of the Casino Queen appeared before the Board on behalf of the Fifth Amendment to the Credit Agreement which is similar to those amendments presented in the past and will appear before next regular meeting for the final approval. Final documentation will be presented before the Board at the April, 2010 regular meeting.

Administrator Ostrowski stated that this amendment is similar to amendments presented before.

- Midwest Gaming & Entertainment, LLC – Financing

John Janicik appeared before the Board, and requested initial consideration on financing. Documentation has been provided on financing and structure.

- Items for Final Action

John Janicik appeared before the Board on behalf of Midwest Gaming & Entertainment, LLC.

- Midwest Gaming & Entertainment, LLC – Preliminary Suitability

Based on a review of Staff's investigation and recommendation and presentations for consideration made by the Applicant on November 25, 2008 and thereafter, Member Sullivan moved, **pursuant to sections 3000.230(a)(6) and**

3000.230(c)(4) of the Board’s Adopted Rules and, to the extent initial consideration was not previously designated, pursuant to section 3000.105(e) of the Board’s Adopted Rules which allows the Board to give immediate consideration to the action request, that the Board make a finding of suitability in favor of Midwest Gaming & Entertainment, LLC with respect to the Owner’s License for which it has submitted an application. Member Sullivan further moved that the Board approve and make findings of suitability for the following entities, positions and individuals as Key Persons of Midwest Gaming & Entertainment, LLC:

- 1. High Plains Gaming, LLC**
- 2. Midwest Gaming Holdings, LLC**
- 3. Midwest Gaming Borrower, LLC**
- 4. CVG Chicago Gaming, LP**
- 5. CVG Chicago Gaming, LLC**
- 6. Healthcare of Ontario Pension Plan Trust Fund (HOOPP)**
- 7. Neil Bluhm**
- 8. Gregory Carlin**
- 9. CEO – Midwest Gaming & Entertainment, LLC**
- 10. Andrew Bluhm**
- 11. Leslie Bluhm**
- 12. Meredith Bluhm-Wolf**
- 13. Kenneth Rotman**
- 14. Jeffrey Parr**
- 15. Steven Frenkiel**

Member Moore seconded the motion. The Board approved the motion unanimously by roll call vote.

Member Gardner commended the staff on a job well done. He also expressed accolades to the team of Midwest Gaming.

OCCUPATIONAL LICENSES APPROVALS & DENIALS – LEVEL 2s & 3s

Based on staff’s investigation and recommendation, Member Winkler moved that **the Board approve 14 applications for an Occupational License, Level 2, and 51 applications for an Occupational License, Level 3.** Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call vote.

ADMINISTRATIVE HEARING/ALJ REPORT

- Request for Hearing – Cody Clyde Lewis

Based on the review of staff’s investigation and recommendation, Member Winkler moved that **Cody Clyde Lewis’ request for a hearing be denied based on the fact that**

he has offered no facts that establish a prima facie case. Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call vote.

PROPOSED COMPLAINT AND DISCIPLINARY ACTION

- Walter Sullivan – Occupational Licensee

Based on staff's investigation and recommendation, Member Moore moved that **the Board issue a Disciplinary Complaint against Walter Sullivan, an occupational licensee, for conducting a security exercise wherein he asked a patron to carry a backpack containing a suspicious package through the security turnstiles without prior notification to the IGB or his supervisors.**

Further, Member Moore moved that **the Board suspend Walter Sullivan's occupational license for 14 days without pay with credit for 10 days already taken. Said action to take effect twenty-one (21) days from the date of service of the complaint unless the licensee files an Answer within that time period.** Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call vote.

- Gene Kately – Occupational Licensee

Based on staff's investigation and recommendation, Member Sullivan moved that **the Board issue a Disciplinary Complaint against Gene Kately, an occupational licensee, for failing to disclose all material changes in information to the Board.**

Further, Member Sullivan moved that **the Board suspend Gene Kately's occupational license for 10 days without pay. Said action to take effect twenty-one (21) days from the date of service of the complaint unless the licensee files an Answer within that time period.** Member Winkler seconded the motion. The Board approved the motion unanimously by roll call vote.

- Robert Dombrowski – Occupational Licensee

Based on staff's investigation and recommendation, Member Winkler moved that **the Board issue a Disciplinary Complaint against Robert Dombrowski, an occupational licensee, for representing himself to Empress employees as an agent or employee of the IGB and seeking complimentary food from the Empress Casino.**

Further, Member Winkler moved that **the Board revoke Robert Dombrowski's occupational license. Said action to take effect twenty-one (21) days from the date of service of the complaint unless the licensee files an Answer within that time period.** Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call vote.

At 1:20 p.m. Member Winkler motioned to adjourn and Member Sullivan seconded the motion. All Members voted in favor of adjournment.

Respectfully submitted,

Mary C. Boruta
Secretary to the Administrator